

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 3702  
OFFERED BY MR. GREEN OF TEXAS**

**[Reforming Disaster Recovery Act]**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Reforming Disaster  
3 Recovery Act of 2019”.

**4 SEC. 2. COMMUNITY DEVELOPMENT BLOCK GRANT DIS-  
5 ASTER RECOVERY PROGRAM.**

6 (a) IN GENERAL.—Title I of the Housing and Com-  
7 munity Development Act of 1974 (42 U.S.C. 5301 et seq.)  
8 is amended by adding at the end the following new section:

**9 “SEC. 123. CDBG-DISASTER RECOVERY ASSISTANCE.**

10 “(a) AUTHORITY; USE.—The Secretary may provide  
11 assistance under this section to States, including Puerto  
12 Rico, units of general local government, and Indian tribes  
13 for necessary expenses for activities authorized under this  
14 title related to disaster relief, resiliency, long-term recov-  
15 ery, restoration of infrastructure and housing, mitigation,  
16 and economic revitalization in the most impacted and dis-  
17 tressed areas (as such term shall be defined by the Sec-

1 retary by regulation) resulting from a major disaster de-  
2 clared pursuant to the Robert T. Stafford Disaster Relief  
3 and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

4 “(b) ALLOCATION; COORDINATION.—

5 “(1) ALLOCATION FOR MITIGATION.—In deter-  
6 mining the amount allocated under this section for  
7 any grantee, the Secretary shall include an addi-  
8 tional amount for mitigation that is not less than 45  
9 percent of the amount allocated for such grantee for  
10 unmet needs.

11 “(2) DEADLINES FOR ALLOCATION.—Except as  
12 provided in paragraph (3), after the enactment of an  
13 Act making funds available for assistance under this  
14 section, the Secretary shall allocate for grantees,  
15 based on the best available data all funds provided  
16 for assistance under this section within 60 days of  
17 the date of the enactment of such Act.

18 “(3) INAPPLICABILITY OF DEADLINES BASED  
19 ON INSUFFICIENT INFORMATION.—The deadlines  
20 under paragraph (2) for allocation of funds shall not  
21 apply in the case of funds made available for assist-  
22 ance under this section if Federal Emergency Man-  
23 agement Agency has not made sufficient information  
24 available to the Secretary regarding relevant unmet  
25 recovery needs to make allocations in accordance

1 with such deadlines. The Secretary shall notify the  
2 Congress of progress on or delay in receiving the  
3 necessary information within 60 days following dec-  
4 laration of such a major disaster and monthly there-  
5 after until all necessary information is received.

6 “(4) OBLIGATION OF AMOUNTS BY THE SEC-  
7 RETARY.—Subject to subsection (c)(1), the Sec-  
8 retary shall provide for the disbursement of the  
9 amounts allocated for a grantee, but shall require  
10 the grantee to be in substantial compliance with the  
11 requirements of this section before each such dis-  
12 bursement.

13 “(5) COORDINATION OF DISASTER BENEFITS  
14 AND DATA WITH OTHER FEDERAL AGENCIES.—

15 “(A) COORDINATION OF DATA.—The Sec-  
16 retary shall coordinate with other agencies to  
17 obtain data on recovery needs, including the  
18 Administrator of the Federal Emergency Man-  
19 agement Agency and the Administrator of the  
20 Small Business Administration, and other agen-  
21 cies when necessary regarding disaster benefits.

22 “(B) COORDINATION WITH FEMA.—The  
23 Secretary shall share with the Administrator of  
24 the Federal Emergency Management Agency,  
25 and make publicly available, all data collected,

1           possessed, or analyzed during the course of a  
2           disaster recovery for which assistance is pro-  
3           vided under this section including—

4                   “(i) all data on damage caused by the  
5                   disaster;

6                   “(ii) information on how any Federal  
7                   assistance provided in connection with the  
8                   disaster is expended; and

9                   “(iii) information regarding the effect  
10                  of the disaster on education, transportation  
11                  capabilities and dependence, housing  
12                  needs, health care capacity, and displace-  
13                  ment of persons.

14                  “(C) REQUIREMENTS REGARDING ELIGI-  
15                  BILITY FOR DIRECT ASSISTANCE AND DUPLICA-  
16                  TION OF BENEFITS.—

17                   “(i) COMPLIANCE.—Funds made  
18                   available under this subsection shall be  
19                   used in accordance with section 312 of the  
20                   Robert T. Stafford Disaster Relief and  
21                   Emergency Assistance Act (42 U.S.C.  
22                   5155), as amended by section 1210 of the  
23                   Disaster Recovery Reform Act of 2018  
24                   (Division D, Public Law 115-254), and

1           such rules as may be prescribed under  
2           such section.

3           “(ii) PRIORITY.—Households having  
4           the lowest incomes shall be prioritized for  
5           assistance under this section until all  
6           unmet needs are satisfied for families hav-  
7           ing an income up to 120 percent of the  
8           median for the area.

9           “(D) TREATMENT OF DUPLICATIVE BENE-  
10          FITS.—In any case in which a grantee provides  
11          assistance that duplicates benefits available to a  
12          person for the same purpose from another  
13          source, the grantee itself shall either (i) be sub-  
14          ject to remedies for noncompliance under sec-  
15          tion 111, or (ii) bear responsibility for absorb-  
16          ing such cost of duplicative benefits and return-  
17          ing an amount equal to any duplicative benefits  
18          paid to the grantee’s funds available for use  
19          under this section or to the Community Devel-  
20          opment Block Grant Disaster Recovery Reserve  
21          Fund under section 124, unless the Secretary  
22          issues a public determination by publication in  
23          the Federal Register that it is not in the best  
24          interest of the Federal Government to pursue  
25          such remedies.

1           “(E) PROTECTION OF PERSONALLY IDEN-  
2           TIFIABLE INFORMATION.—In carrying out this  
3           paragraph, the Secretary and the grantee shall  
4           take such actions as may be necessary to ensure  
5           that personally identifiable information regard-  
6           ing recipients of assistance provided from funds  
7           made available under this section is not made  
8           publically available by the Department of Hous-  
9           ing and Urban Development or any agency with  
10          which information is shared pursuant to this  
11          paragraph.

12          “(c) PLAN FOR USE OF ASSISTANCE.—

13                 “(1) REQUIREMENT.—Not later than 90 days  
14                 after the allocation pursuant to subsection (b)(1) of  
15                 all of the funds made available by an appropriations  
16                 Act for assistance under this section and before the  
17                 Secretary obligates any of such funds for a grantee,  
18                 the grantee shall submit a plan to the Secretary for  
19                 approval detailing the proposed use of all funds,  
20                 which shall include, at a minimum—

21                         “(A) criteria for eligibility for each pro-  
22                         posed use of funds, including eligibility limits  
23                         on income and geography, and a description of  
24                         how each proposed use of such funds will com-  
25                         ply with all civil rights and fair housing laws

1 and will address unmet needs relating to dis-  
2 aster relief, resiliency, long-term recovery, res-  
3 toration of infrastructure and housing, mitiga-  
4 tion, and economic revitalization in the most  
5 impacted and distressed areas, including assist-  
6 ance to impacted households experiencing home-  
7 lessness as defined by section 103 of the  
8 McKinney-Vento Homeless Assistance Act (42  
9 U.S.C. 11302) or at risk of homelessness as de-  
10 fined by section 401 of such Act (42 U.S.C.  
11 11360);

12 “(B) an agreement to share data,  
13 disaggregated by the smallest census tract,  
14 block group, or block possible for the data set,  
15 with Federal agencies and other providers of  
16 disaster relief, which shall include information  
17 the grantee has regarding the matters described  
18 in subsection (b)(4)(B);

19 “(C) identification of officials and offices  
20 responsible for administering such funds and  
21 processes and procedures for identifying and re-  
22 covering duplicate benefits; and

23 “(D) a plan for ensuring compliance with  
24 the Fair Housing Act, which may include, at  
25 the election of the grantee, providing for part-

1           nerships with local fair housing organizations  
2           and funding set-aside for local fair housing or-  
3           ganizations to handle complaints relating to as-  
4           sistance with amounts made available for use  
5           under this section.

6           “(2) APPROVAL.—The Secretary shall, by regu-  
7           lation, specify criteria for approval of plans under  
8           paragraph (1), including approval of substantial  
9           amendments to such plans.

10           “(3) DISAPPROVAL.—The Secretary shall dis-  
11           approve a plan or substantial amendment to a plan  
12           if—

13                   “(A) the plan or substantial amendment  
14                   does not meet the approval criteria;

15                   “(B) based on damage and unmet needs  
16                   assessments of the Secretary and the Federal  
17                   Emergency Management Administration or  
18                   such other information as may be available, the  
19                   plan or amendment does not address equitable  
20                   allocation of resources—

21                           “(i) between infrastructure and hous-  
22                           ing activities; and

23                           “(ii) between homeowners, renters,  
24                           and persons experiencing homelessness;



1           “(C) the plan or amendment does not pro-  
2           vide an adequate plan for ensuring that funding  
3           provided under this section is used in compli-  
4           ance with the Fair Housing Act;

5           “(D) the plan or amendment does not  
6           prioritize the one-for-one replacement, with cost  
7           adjustment where appropriate, of damaged  
8           dwelling units in public housing, in projects re-  
9           ceiving tax credits pursuant to section 42 of the  
10          Internal Revenue Code of 1986, or in projects  
11          assisted under section 202 of the Housing Act  
12          of 1959 (12 U.S.C. 1701q), under section 811  
13          of the Cranston-Gonzalez National Affordable  
14          Housing Act (42 U.S.C. 8013), under the  
15          HOME Investment Partnerships Act (42  
16          U.S.C. 12721 et seq), under the community de-  
17          velopment block grant program under this title,  
18          or by the Housing Trust Fund under section  
19          1338 of the Housing and Community Develop-  
20          ment Act of 1992 (12 U.S.C. 4568); or

21          “(E) the plan or amendment does not pro-  
22          vide a process to provide applicants—

23                  “(i) notice by grantee of applicant’s  
24                  right to appeal any adverse action or inac-  
25                  tion;

1           “(ii) right to full discovery of appli-  
2           cant’s entire application file; and

3           “(iii) right to appeal to a court of  
4           competent jurisdiction in the vicinage of  
5           the applicant’s residence at the time of the  
6           appeal.

7           “(4) PUBLIC CONSULTATION.— In developing  
8           the plan required under paragraph (1), a grantee  
9           shall, at a minimum—

10           “(A) consult with affected residents, stake-  
11           holders, local governments, and public housing  
12           authorities to assess needs;

13           “(B) publish the plan in accordance with  
14           the requirements set forth by the Secretary, in-  
15           cluding a requirement to prominently post the  
16           plan on the website of the grantee for not less  
17           than 14 days;

18           “(C) ensure equal access for individuals  
19           with disabilities and individuals with limited  
20           English proficiency; and

21           “(D) publish the plan in a manner that af-  
22           fords citizens, affected local governments, and  
23           other interested parties a reasonable oppor-  
24           tunity to examine the contents of the plan and  
25           provide feedback.

1           “(5) RESUBMISSION.—The Secretary shall per-  
2           mit a grantee to revise and resubmit a disapproved  
3           plan or plan amendment.

4           “(6) TIMING.—

5           “(A) IN GENERAL.—The Secretary shall  
6           approve or disapprove a plan not later than 60  
7           days after submission of the plan to the Sec-  
8           retary. The Secretary shall immediately notify  
9           the applicant of the Secretary’s decision.

10           “(B) DISAPPROVAL.—If the Secretary dis-  
11           approves a plan, not later than 15 days after  
12           such disapproval the Secretary shall inform the  
13           applicant in writing of (A) the reasons for dis-  
14           approval, and (B) actions that the applicant  
15           could take to meet the criteria for approval.

16           “(C) AMENDMENTS; RESUBMISSION.—The  
17           Secretary shall, for a period of not less than 45  
18           days following the date of disapproval, permit  
19           amendments to, or the resubmission of, any  
20           plan that is disapproved. The Secretary shall  
21           approve or disapprove a plan amendment not  
22           less than 30 days after receipt of such amend-  
23           ments or resubmission.

24           “(D) GRANT AGREEMENTS.—Subject to  
25           subsection (b)(3), the Secretary shall ensure

1           that all grant agreements necessary for prompt  
2           disbursement of funds allocated to a grantee  
3           are executed within 60 days of approval of  
4           grantee's plan.

5           “(d) FINANCIAL CONTROLS.—

6           “(1) COMPLIANCE SYSTEM.—The Secretary  
7           shall develop and maintain a system to ensure that  
8           each grantee has and will maintain for the life of the  
9           grant—

10                   “(A) proficient financial controls and pro-  
11                   curement processes;

12                   “(B) adequate procedures to ensure that  
13                   all eligible families and individuals are approved  
14                   for assistance with amounts made available  
15                   under this section and that recipients are pro-  
16                   vided the full amount of assistance for which  
17                   they are eligible;

18                   “(C) adequate procedures to prevent any  
19                   duplication of benefits, as defined by section  
20                   312 of the Robert T. Stafford Disaster Relief  
21                   and Emergency Assistance Act (42 U.S.C.  
22                   5155), to ensure timely expenditure of funds,  
23                   and to detect and prevent waste, fraud, and  
24                   abuse of funds; and

1           “(D) adequate procedures to ensure the  
2           grantee will maintain comprehensive and pub-  
3           licly accessible websites that make available in-  
4           formation regarding all disaster recovery activi-  
5           ties assisted with such funds, which information  
6           shall include—

7                   “(i) full and unredacted copies of all  
8                   requests for qualification for assistance or  
9                   for procurement with such funds, however  
10                  styled;

11                  “(ii) all responses to such requests,  
12                  subject to redactions necessary to protect  
13                  personal or proprietary data;

14                  “(iii) the identity of any entity that  
15                  reviews, evaluates, scores, or otherwise in-  
16                  fluences or determines the disposition of  
17                  such requests;

18                  “(iv) all reports, however styled, con-  
19                  taining the reviewing individual or entity’s  
20                  scores, findings, and conclusions regarding  
21                  such requests; and

22                  “(v) any resulting contract, agree-  
23                  ment, or other disposition of such requests;  
24                  except that such procedures shall ensure  
25                  that personally identifiable information re-

1           garding recipients of assistance provided  
2           from funds made available under this sec-  
3           tion shall not be made publicly available.

4           “(2) EVALUATION OF COMPLIANCE.—The Sec-  
5           retary shall provide, by regulation or guideline, a  
6           method for qualitatively and quantitatively evalu-  
7           ating compliance with the requirements under para-  
8           graph (1).

9           “(3) CERTIFICATION.—As a condition of mak-  
10          ing any grant, the Secretary shall certify in advance  
11          that the grantee has in place the processes and pro-  
12          cedures required under subparagraphs (A) through  
13          (D) of paragraph (1).

14          “(e) USE OF FUNDS.—

15                 “(1) ADMINISTRATIVE COSTS.—

16                         “(A) IN GENERAL.—A State, unit of gen-  
17                         eral local government, or Indian tribe receiving  
18                         a grant under this section may use not less  
19                         than 7 percent and not more than 10 percent  
20                         of the amount of grant funds received, or with-  
21                         in such other percentage as may be established  
22                         pursuant to subparagraph (B), for administra-  
23                         tive costs and shall document the use of funds  
24                         for such purpose in accordance with such re-  
25                         quirements as the Secretary shall establish.

1           “(B) DISCRETION TO ESTABLISH SLIDING  
2           SCALE.—The Secretary may establish a series  
3           of percentage limitations on the amount of  
4           grant funds received that may be used by a  
5           grantee for administrative costs, but only if—

6                   “(i) such percentage limitations are  
7                   based on the amount of grant funds re-  
8                   ceived by a grantee;

9                   “(ii) such series provides that the per-  
10                  centage that may be so used is lower for  
11                  grantees receiving a greater amount of  
12                  grant funds and such percentage that may  
13                  be so used is higher for grantees receiving  
14                  a lesser amount of grant funds; and

15                  “(iii) in no case may a grantee so use  
16                  more than 10 percent of grant funds re-  
17                  ceived.

18           “(2) LIMITATIONS ON USE.—Amounts from a  
19           grant under this section may not be used for activi-  
20           ties—

21                   “(A) that are reimbursable, or for which  
22                   funds are made available, by the Federal Emer-  
23                   gency Management Agency, including under the  
24                   Robert T. Stafford Disaster Relief and Emer-

1 agency Assistance Act or the National Flood In-  
2 surance Program; or

3 “(B) for which funds are made available  
4 by the Army Corps of Engineers.

5 “(3) HUD ADMINISTRATIVE COSTS.—

6 “(A) LIMITATION.—Of any funds made  
7 available for use under this section by any sin-  
8 gle appropriations Act, the Secretary may use 1  
9 percent of any such amount exceeding  
10 \$1,000,000,000 for necessary costs, including  
11 information technology costs, of administering  
12 and overseeing the obligation and expenditure  
13 of amounts made available for use under this  
14 section.

15 “(B) TRANSFER OF FUNDS.—Any amounts  
16 made available for use in accordance with sub-  
17 paragraph (A)—

18 “(i) shall be transferred to the ac-  
19 count for Program Office Salaries and Ex-  
20 penses—Community Planning and Devel-  
21 opment for the Department;

22 “(ii) shall remain available until ex-  
23 pended; and

24 “(iii) may be used for administering  
25 any funds appropriated to the Department



1           for any disaster and related purposes in  
2           any prior or future Act, notwithstanding  
3           the disaster for which such funds were ap-  
4           propriated.

5           “(4) INSPECTOR GENERAL.—Of any funds  
6           made available for use in accordance with paragraph  
7           (3)(A), 15 percent shall be transferred to the Office  
8           of the Inspector General for necessary costs of au-  
9           dits, reviews, oversight, evaluation, and investiga-  
10          tions relating to amounts made available for use  
11          under this section.

12          “(5) CAPACITY BUILDING.—Of any funds made  
13          available for use under this section, not more than  
14          0.1 percent or \$15,000,000, whichever is less, shall  
15          be made available to the Secretary for capacity  
16          building and technical assistance, including assist-  
17          ance regarding contracting and procurement proc-  
18          esses, to support grantees and subgrantees receiving  
19          funds under this section.

20          “(6) COMPLIANCE WITH STORM WATER PRO-  
21          TECTIONS.—The Secretary shall provide that no  
22          funds made available under this section may be used  
23          for construction, reconstruction, or installation of  
24          any infrastructure unless the infrastructure assisted  
25          complies with any minimum standards for protection

1 from floods and stormwaters, including the Federal  
2 Flood Risk Management Standards of the Federal  
3 Emergency Management Agency.

4 “(7) FLOOD RISK MITIGATION.—

5 “(A) REQUIREMENTS.—Subject to sub-  
6 paragraph (B), the Secretary shall require that  
7 any structure that is located in an area having  
8 special flood hazards and that is newly con-  
9 structed, for which substantial damage is re-  
10 paired, or that is substantially improved, using  
11 amounts made available under this section,  
12 shall be elevated with the lowest floor, including  
13 the basement, at least two feet above the base  
14 flood level.

15 “(B) ALTERNATIVE MITIGATION.—In the  
16 case of existing structures consisting of multi-  
17 family housing and row houses, the Secretary  
18 shall seek consultation with the Administrator  
19 of the Federal Emergency Management Agency,  
20 shall provide for alternative forms of mitigation  
21 (apart from elevation), and shall exempt from  
22 the requirement under subparagraph (A) any  
23 such structure that meets the standards for  
24 such an alternative form of mitigation.

1           “(C) DEFINITIONS.—For purposes of sub-  
2           paragraph (A), the terms ‘area having special  
3           flood hazards’, ‘newly constructed’, ‘substantial  
4           damage’, ‘substantial improvement’, and ‘base  
5           flood level’ have the same meanings as under  
6           the Flood Disaster Protection Act of 1973 and  
7           the National Flood Insurance Act of 1968 (42  
8           U.S.C. 4001 et seq.).

9           “(f) ADMINISTRATION.—In administering any  
10          amounts made available for assistance under this section,  
11          the Secretary—

12                 “(1) may not allow a grantee to use any such  
13                 amounts for any purpose other than the purpose ap-  
14                 proved by the Secretary in the plan or amended plan  
15                 submitted under subsection (c)(1) to the Secretary  
16                 for use of such amounts;

17                 “(2) may not permit a grantee to amend a plan  
18                 to retroactively approve a beneficiary’s use of funds  
19                 for an eligible activity other than an activity for  
20                 which the funds were originally approved in the  
21                 plan; and

22                 “(3) shall prohibit a grantee from delegating,  
23                 by contract or otherwise, the responsibility for inher-  
24                 ent government functions.

1           “(g) TRAINING FOR GRANT MANAGEMENT FOR SUB-  
2 GRANTEES.—The Secretary shall require each grantee to  
3 provide ongoing training to all staff and subgrantees.

4           “(h) PROCUREMENT PROCESSES AND PROCEDURES  
5 FOR GRANTEES.—

6                   “(1) GRANTEE PROCESSES AND PROCE-  
7 DURES.—In procuring property or services to be  
8 paid for in whole or in part with amounts from a  
9 grant under this section, a grantee shall—

10                           “(A) follow its own procurement processes  
11 and procedures, but only if the Secretary makes  
12 a determination that such processes and proce-  
13 dures comply with the requirements under  
14 paragraph (2); or

15                           “(B) comply with such processes and pro-  
16 cedures as the Secretary shall, by regulation,  
17 establish for purposes of this section.

18                   “(2) REQUIREMENTS.—The requirements under  
19 this paragraph with respect to the procurement  
20 processes and procedures of a grantee are that such  
21 processes and procedures shall—

22                           “(A) provide for full and open competition  
23 and require cost or price analysis;

24                           “(B) include requirements for procurement  
25 policies and procedures for subgrantees;

1           “(C) specify methods of procurement and  
2           their applicability, but not allow cost-plus-a-per-  
3           centage-of cost or percentage-of-construction-  
4           cost methods of procurement;

5           “(D) include standards of conduct gov-  
6           erning employees engaged in the award or ad-  
7           ministration of contracts; and

8           “(E) ensure that all purchase orders and  
9           contracts include any clauses required by Fed-  
10          eral Statute, Executive Order, or implementing  
11          regulation.

12          “(3) NONCOMPLIANCE.—In the case of a grant-  
13          ee for which the Secretary finds pursuant to para-  
14          graph (1)(A) that its procurement processes and  
15          procedures do not comply with paragraph (2), the  
16          Secretary shall—

17               “(A) provide the grantee with specific writ-  
18               ten notice of the elements of noncompliance and  
19               the changes necessary to such processes and  
20               procedures to provide for compliance;

21               “(B) provide the grantee a reasonable pe-  
22               riod of time to come into compliance; and

23               “(C) during such period allow the grantee  
24               to proceed with procuring property and services  
25               paid for in whole or in part with amounts from

1 a grant under this section in compliance with  
2 the procurement processes and procedures of  
3 the grantee, but only if the Secretary deter-  
4 mines that the grantee is making a good faith  
5 effort to effectuate compliance with the require-  
6 ments of paragraph (2).

7 “(i) TREATMENT OF CDBG ALLOCATIONS.—  
8 Amounts made available for use under this section shall  
9 not be considered relevant to the non-disaster formula al-  
10 locations made pursuant to section 106 of this title (42  
11 U.S.C. 5306).

12 “(j) WAIVERS.—

13 “(1) AUTHORITY.—Subject to the other provi-  
14 sions of this section, in administering amounts made  
15 available for use under this section, the Secretary  
16 may waive, or specify alternative requirements for,  
17 any provision of any statute or regulation that the  
18 Secretary administers in connection with the obliga-  
19 tion by the Secretary or the use by the recipient of  
20 such funds (except for requirements related to fair  
21 housing, nondiscrimination, labor standards, and the  
22 environment and except for the requirements of this  
23 section), if the Secretary makes a public finding that  
24 good cause exists for the waiver or alternative re-  
25 quirement and such waiver or alternative require-

1       ment would not be inconsistent with the overall pur-  
2       pose of this title.

3           “(2) NOTICE AND PUBLICATION.—Any waiver  
4       of or alternative requirement pursuant to paragraph  
5       (1) shall not take effect before the expiration of the  
6       5-day period beginning upon the publication of no-  
7       tice in the Federal Register of such waiver or alter-  
8       native requirement.

9           “(3) LOW- AND MODERATE-INCOME USE.—The  
10      requirements in this Act that apply to grants made  
11      under section 106 of this title (except those related  
12      to the allocation) apply equally to grants under this  
13      section unless modified by a waiver or alternative re-  
14      quirement pursuant to paragraph (1). Notwith-  
15      standing the preceding sentence, the Secretary may  
16      not grant a waiver to reduce the percentage of funds  
17      that must be used for activities that benefit persons  
18      of low and moderate income to less than 70 percent,  
19      unless the Secretary specifically finds that there is  
20      compelling need to further reduce the percentage re-  
21      quirement and that funds are not necessary to ad-  
22      dress the housing needs of low- and moderate-in-  
23      come residents.

1           “(4) PROHIBITION.—The Secretary may not  
2 waive any provision of this section pursuant to the  
3 authority under paragraph (1).

4           “(k) ENVIRONMENTAL REVIEW.—

5           “(1) ADOPTION.—Notwithstanding subsection  
6 (j)(1), recipients of funds provided under this section  
7 that use such funds to supplement Federal assist-  
8 ance provided under section 402, 403, 404, 406,  
9 407, 408(c)(4), 428, or 502 of the Robert T. Staf-  
10 ford Disaster Relief and Emergency Assistance Act  
11 (42 U.S.C. 5121 et seq.) may adopt, without review  
12 or public comment, any environmental review, ap-  
13 proval, or permit performed by a Federal agency,  
14 and such adoption shall satisfy the responsibilities of  
15 the recipient with respect to such environmental re-  
16 view, approval, or permit under section 104(g)(1) of  
17 this title (42 U.S.C. 5304(g)(1)).

18           “(2) RELEASE OF FUNDS.—Notwithstanding  
19 section 104(g)(2) of this title (42 U.S.C.  
20 5304(g)(2)), the Secretary may, upon receipt of a  
21 request for release of funds and certification, imme-  
22 diately approve the release of funds for an activity  
23 or project assisted with amounts made available for  
24 use under this section if the recipient has adopted  
25 an environmental review, approval or permit under



1 paragraph (1) or the activity or project is categori-  
2 cally excluded from review under the National Envi-  
3 ronmental Policy Act of 1969 (42 U.S.C. 4321 et  
4 seq.).

5 “(1) COLLECTION OF INFORMATION; AUDITS AND  
6 OVERSIGHT.—

7 “(1) COLLECTION OF INFORMATION.—For each  
8 major disaster for which assistance is made available  
9 under this section, the Secretary shall collect infor-  
10 mation from grantees regarding all recovery activi-  
11 ties so assisted, including information on applicants  
12 and recipients of assistance, and shall make such in-  
13 formation available to the public and to the Inspec-  
14 tor General for the Department of Housing and  
15 Urban Development on a monthly basis using uni-  
16 form data collection practices, and shall provide a  
17 monthly update to the Congress regarding compli-  
18 ance with this section. Information collected and re-  
19 ported by grantees and the Secretary shall be  
20 disaggregated by program, race, income, geography,  
21 and all protected classes of individuals under the  
22 Robert T. Stafford Disaster Relief and Emergency  
23 Assistance Act, the Americans with Disabilities Act  
24 of 1990, the Fair Housing Act, the Civil Rights Act  
25 of 1964, and other civil rights and nondiscrimination

1       protections, with respect to the smallest census  
2       tract, block group, or block possible for the data set.

3               “(2) AVAILABILITY OF INFORMATION.— In car-  
4       rying out this paragraph, the Secretary may make  
5       full and unredacted information available to aca-  
6       demic and research institutions for the purpose of  
7       research into the equitable distribution of recovery  
8       funds, adherence to civil rights protections, and  
9       other areas.

10              “(3) PROTECTION OF INFORMATION.—The Sec-  
11       retary shall take such actions and make such  
12       redactions as may be necessary to ensure that per-  
13       sonally identifiable information regarding recipients  
14       of assistance provided from funds made available  
15       under this section shall not made publicly available.

16              “(4) AUDITS AND OVERSIGHT.—In conducting  
17       audits, reviews, oversight, evaluation, and investiga-  
18       tions, in addition to activities designed to prevent  
19       and detect waste, fraud, and abuse, the Inspector  
20       General shall review programs of grantees under this  
21       section for providing disaster relief and recovery as-  
22       sistance to ensure such programs fulfill their agreed-  
23       upon purposes and serve all eligible applicants for  
24       disaster relief or recovery assistance.

25              “(m) BEST PRACTICES.—

1           “(1) STUDY.—The Secretary shall direct the  
2           Office Community Planning and Development to col-  
3           laborate with the Office of Policy Development and  
4           Research to identify best practices for grantees on  
5           issues including developing the action plan under  
6           subsection (c) and substantive amendments, estab-  
7           lishing financial controls, building grantee technical  
8           and administrative capacity, procurement, compli-  
9           ance with Fair Housing Act statute and regulations,  
10          and use of grant funds as local match for other  
11          sources of federal funding. The Secretary shall pub-  
12          lish a compilation of such identified best practices  
13          and share with all relevant grantees to facilitate a  
14          more efficient and effective disaster recovery proc-  
15          ess. The compilation shall include guidelines for  
16          housing and economic revitalization programs, in-  
17          cluding mitigation, with sufficient model language on  
18          program design for grantees to incorporate into ac-  
19          tion plans. The compilation shall include standards  
20          for at least form of application, determining unmet  
21          need, and income eligibility.

22          “(2) PROMULGATION.—After publication of the  
23          final compilation, the Secretary shall issue either  
24          Federal regulations, as part of the final rule for the  
25          above authorization or as a separate rule, or a Fed-

1       eral Register notice that establishes the require-  
2       ments which grantees must follow in order to qualify  
3       for expedited review and approval. Such guidance  
4       shall establish standard language for inclusion in ac-  
5       tion plans under subsection (c) and for establishing  
6       standardized programs and activities recognized by  
7       the Secretary. Use of best practices shall not pre-  
8       clude grantees from standard requirements for pub-  
9       lic comment, community engagement, and online  
10      posting of the action plan. Use of promulgated best  
11      practices shall allow for an expedited review process,  
12      under which the Secretary will approve or disapprove  
13      such programs within 30 days. The Secretary shall  
14      publish the draft compilation of best practices on its  
15      website and allow the public 60 days to submit com-  
16      ments. The Secretary shall review all public com-  
17      ments and publish a final compilation within one  
18      year from the date of enactment. The Secretary may  
19      revise the requirements for best practices at any  
20      time after a public comment period of at least 60  
21      days.

22      “(n) PLAN PRE-CERTIFICATION FOR UNITS OF GEN-  
23      ERAL LOCAL GOVERNMENT.—

24              “(1) IN GENERAL.—The Secretary shall carry  
25      out a program under this subsection to provide for

1 units of general local government to pre-certify as el-  
2 ible grantees for assistance under this section. The  
3 objective of such program shall be to—

4 “(A) allow grantees that have consistently  
5 demonstrated the ability to administer funds re-  
6 sponsibly and equitably in similar disasters to  
7 utilize in subsequent years plans which are sub-  
8 stantially similar to those the Department has  
9 previously approved; and

10 “(B) facilitate the re-use of a plan or its  
11 substantially similar equivalent by a pre-cer-  
12 tified grantee for whom the plan has previously  
13 been approved and executed upon.

14 “(2) REQUIREMENTS.—To be eligible for pre-  
15 certification under the program under this sub-  
16 section a unit of general local government shall—

17 “(A) demonstrate to the satisfaction of the  
18 Secretary compliance with the requirements of  
19 this section; and

20 “(B) have previously submitted a plan or  
21 its substantially similar equivalent and received  
22 assistance thereunder as a grantee or sub-  
23 grantee under this section, or with amounts  
24 made available for the Community Development  
25 Block Grant—Disaster Recovery account, in

1 connection with two or more major disasters de-  
2 clared pursuant to the Robert T. Stafford Dis-  
3 aster Relief and Emergency Assistance Act (42  
4 U.S.C. 5121 et seq.).

5 “(3) APPROVAL OF PLANS.—

6 “(A) EXPEDITED APPROVAL PROCESSES.—

7 The Secretary shall establish and maintain  
8 processes for expediting approval of plans for  
9 units of general local government that are pre-  
10 certified under this subsection.

11 “(B) EFFECT OF PRE-CERTIFICATION.—

12 Pre-certification pursuant to this subsection  
13 shall not—

14 “(i) establish any entitlement to, or  
15 priority or preference for, allocation of  
16 funds made available under this section; or

17 “(ii) exempt any grantee from com-  
18 plying with any of the requirements under,  
19 or established pursuant to, subsection (c)  
20 or (d).

21 “(4) DURATION.—Pre-certification under this  
22 subsection shall be effective for a term of 10 years.

23 “(o) DEPOSIT OF UNUSED AMOUNTS IN FUND.—

1           “(1) IN GENERAL.—If any amounts made avail-  
2           able for assistance under this section to grantees re-  
3           main unexpended upon the earlier of—

4                   “(A) the date that the grantee of such  
5                   amounts notifies the Secretary that the grantee  
6                   has completed all activities identified in the  
7                   grantee’s plan for use of such amounts that was  
8                   approved by the Secretary in connection with  
9                   such grant; or

10                   “(B) the expiration of the 6-year period  
11                   beginning upon the Secretary obligating such  
12                   amounts to the grantee, as such period may be  
13                   extended pursuant to paragraph (2), the Sec-  
14                   retary shall transfer such unexpended amounts  
15                   to the Secretary of the Treasury for deposit  
16                   into the Community Development Block Grant  
17                   Disaster Recovery Reserve Fund established  
18                   under section 124, except that the Secretary  
19                   may, by regulation, permit the grantee to retain  
20                   amounts needed to close out the grant.

21           “(2) EXTENSION OF PERIOD FOR USE OF  
22           FUNDS.—The period under paragraph (1)(B) shall  
23           be extended by not more than 4 years if, before the  
24           expiration of such 6-year period, the Secretary  
25           waives this requirement and submits a written jus-

1       tification for such waiver to the Committees on Ap-  
2       propriations of the House of Representatives and the  
3       Senate that specifies the period of such extension.

4       “(p) DEFINITIONS.—For purposes of this section:

5               “(1) GRANTEE.—The term ‘grantee’ means a  
6       recipient of funds made available under this section  
7       after its enactment.

8               “(2) SUBSTANTIALLY SIMILAR.—The term ‘sub-  
9       stantially similar’ means, with respect to a plan, a  
10      plan previously approved by the Department, admin-  
11      istered successfully by the grantee, and relating to  
12      disasters of the same type.

13              “(3) OTHER TERMS.—Within one year of enact-  
14      ment of this section, the Department shall issue  
15      rules to define the following terms:

16                      “(A) Unmet needs.

17                      “(B) Most impacted and distressed.

18                      “(C) Substantial compliance.

19                      “(D) Full and open competition.

20                      “(E) Cost plus a percentage of cost.

21                      “(F) Percentage of construction cost.

22      **“SEC. 124. COMMUNITY DEVELOPMENT BLOCK GRANT DIS-**  
23                      **ASTER RECOVERY RESERVE FUND.**

24              “(a) ESTABLISHMENT.—There is established in the  
25      Treasury of the United States an account to be known



1 as the Community Development Block Grant Disaster Re-  
2 covery Reserve Fund (in this section referred to as the  
3 ‘Fund’).

4 “(b) AMOUNTS.—The Fund shall consist of any  
5 amounts appropriated to or deposited into the Fund, in-  
6 cluding amounts deposited into the Fund pursuant to sec-  
7 tion 123(o).

8 “(c) USE.—Amounts in the Fund shall be available,  
9 pursuant to the occurrence of a major disaster declared  
10 under the Robert T. Stafford Disaster Relief and Emer-  
11 gency Assistance Act, only for providing technical assist-  
12 ance and capacity building in connection with section 123  
13 for grantees under such section that have been allocated  
14 assistance under such section in connection with such dis-  
15 aster to facilitate planning required under such section  
16 and increase capacity to administer assistance provided  
17 under such section.”.

18 (b) REGULATIONS.—

19 (1) PROPOSED RULE.—Not later than the expi-  
20 ration of the 6-month period beginning on the date  
21 of the enactment of this Act, the Secretary of Hous-  
22 ing and Urban Development shall issue proposed  
23 rules to carry out sections 123 and 124 of the Hous-  
24 ing and Community Development Act of 1974, as  
25 added by the amendment made by subsection (a) of

1       this section, and shall provide a 90-day period for  
2       submission of public comments on such proposed  
3       rule.

4           (2) FINAL RULE.—Not later than the expira-  
5       tion of the 12-month period beginning on the date  
6       of the enactment of this Act, the Secretary of Hous-  
7       ing and Urban Development shall issue final regula-  
8       tions to carry out sections 123 and 124 of the Hous-  
9       ing and Community Development Act of 1974, as  
10      added by the amendment made by subsection (a) of  
11      this section.

